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KENNETH J. MURPHY  
CLERK

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

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Scott Hutchison Enterprises, Inc., et al. :

Civil Action No. C-1-01-776

Plaintiffs :

Judge Weber

v. :

Rhodes, Inc., et al. :

**DEFENDANT RHODES  
POSITION STATEMENT**

Defendants :

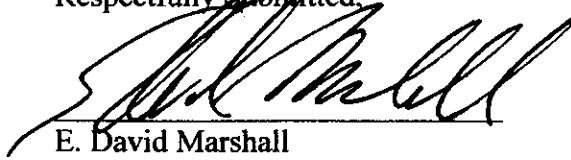
Comes the Defendant Larry Rhodes, Inc. also known as Rhodes, Inc., by counsel, pro hac vice, and for its Position Statement states the following:

1. **COUNSEL.** The insurance company which previously provided errors and omissions insurance coverage for Rhodes, Inc. is no longer in business and has been liquidated. Accordingly, previous counsel, who had been employed by the insurance company to provide representation to Rhodes, Inc. are no longer able to continue said representation for the reason that Rhodes, Inc. does not possess sufficient income or assets to pay for their services. At the request of Rhodes, Inc., all former counsel obligation to perform legal services have been terminated and Rhodes, Inc. has employed E. David Marshall, an attorney from Lexington, Kentucky, for the purpose of using his best efforts to defend this action, taking into consideration the existing financial constraints and for the further purpose of liquidating the business in the event a judgment is rendered against it. E. David Marshall is in the process of filing his Application for Admission pro hac vice and obtaining local counsel.

2. **DEPOSITIONS, EXPERT WITNESSES, ETC.** The Plaintiffs and other Defendants have employed many expert witnesses and have taken many depositions and will continue to take many depositions in a wide geographic area. Rhodes Inc. cannot afford the costs of attorney's fees, travel expenses and deposition costs and therefore will not participate in the discovery process, except that Larry Rhodes, the President of Rhodes, Inc. has given his deposition.

3. **COURT ATTENDANCE.** Rhodes, Inc. and/or the undersigned and local counsel will attend all Court hearings, including the trial of this matter, and will submit defensive testimony and exhibits where appropriate.

Respectfully Submitted,



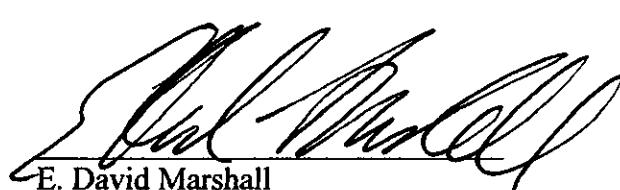
E. David Marshall  
271 West Short Street, Suite 111  
Lexington, Kentucky 400507  
Telephone-859.253.0708  
Fax-859.281.56541  
ATTORNEY FOR RHODES, INC.

#### CERTIFICATE OF SERVICE

The above having been mailed to all counsel for plaintiffs and defendants as listed below, this November 12, 2003.

Thomas R. Shuck  
Taft, Stettinius & Hollister  
425 Walnut Street, Suite 1800  
Cincinnati, Ohio 4522

William P. Schroeder  
Schroeder, Maundrell, Barbiere & Powers  
11935 Mason Road, Suite 110  
Cincinnati, Ohio 45249



E. David Marshall